REPORTS

ON THE

OPERATIONS IN CONNECTION WITH THE INCOME TAX

IN THE

BOMBAY PRESIDENCY

for the triennium ending 31st March 1902.

I-12

P 483—a

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No. $\frac{7928}{A.}$ OF 1902.

Ahmedabad, 1st September 1902.

MEMORANDUM.

The Commissioner, Northern Division, presents compliments, and has the honour to submit the reports of the Collectors, Northern Division, on the administration of the Income-Tax during the triennium ending 31st March 1902, together with the prescribed statements consolidated in this office for the Division as follows :—

(i) *Return No. III.*—Statement showing the collections of the tax.

(ii) *Return No. IV.*—Statement showing the district collections of the tax.

(iii) *Return No. V.*—Statement showing the original and final demands and uncollected balances of sums due.

(iv) *Return No. VI.*—Statement showing by districts the original and final demands, &c.

(v) *Return No. VII.*—Statement of expenditure incurred in the assessment and collection of the tax.

(vi) *Return No. X.*—Statement showing the final assessments and collections under Parts II and IV of the second schedule of the Act, in all towns having a population of 20,000 and over for the year 1901-1902.

(vii) *Return No. X.*—Statement showing the average final assessment do. do. for the three years ending 31st March 1902.

The Division as a whole.

2. The yield of the tax under all Parts was the highest on record in the year 1898-99, the year preceding the first of the triennium, both in the original and final demands, Rs. 5,06,389 and Rs. 4,70,060, respectively. In the next following year, the first of the triennium, the original demand fell to Rs. 4,91,696 and the final to Rs. 4,55,114. The fall in assessment was not as great as the fall in the number of assessees (original 859 and final 784), with the result that the number of assessees was the lowest on record; the tax, however, was only higher in the record year 1898-99. This is the best indication that the hardly eligible were discreetly eliminated, while the wealthy are taxed in closer proportion to their incomes. The year was also the first of the famine series, but the great majority had paid in their tax before the failure of the rains was made manifest, and the latter part of the year only was bad. Some, doubtless, obtained relief on the ground that their incomes were adversely affected. In the succeeding year (1900-1901) the number of assessees, both original and final, fell still lower, but the original demand (Rs. 4,63,418) was more than in any year up to 1896-97. The final demand (Rs. 4,25,729) was, however, exceeded in all the preceding years from 1892-93 onwards. The great famine of 1899-1900 had made its mark, and the small decrease is not to be wondered at. In 1901-1902 there was a further decline in the number of assessees, and while the original demand (Rs. 4,28,597) was more only than in 1886-87 (the first year of the tax) and 1890-91, the final demand (Rs. 3,98,115) was higher only than the first two years of the tax. The shadows of famine are clearly reflected in these figures. Comparing the average of the triennium with the average of the preceding 13 years, however, the results are :—

	ORIGINAL DEMAND.		FINAL DEMAND.		Incidence per head of tax-payer.	Incidence per head of population.
	No. of assessees.	Amount.	No. of assessees.	Amount.		
		Rs.		Rs.	Rs. a. p.	Re. a. p.
Triennium	15,611	4,61,237	14,628	4,26,319	29 2 0	0 1 10
13 years	16,876	4,49,599	15,903	4,17,373	26 4 2	0 1 9

There was apparent difficulty in each of the 3 years in recovering the tax if the balances at the end of the year are viewed in that light. The balances were in 1899-1900 Rs. 45,100; in 1900-1901 Rs. 94,365; and in 1901-1902

Rs. 74,972. In the succeeding years, however, all but Rs. 8,156 on account of 1899-1900 and Rs. 9,212 on account of 1900-1901, which have been written off, were recovered, and up to date only Rs. 1,856 of the outstandings of 1901-1902 have been written off. The Commissioner prefers to re-iterate his remark of last year that the assessees withheld payment in the hope of obtaining wholesale remissions.

3. *Ahmedabad.*—The record year was 1898-99, the original demand Rs. 2,23,856 being from 6,372 persons, and the final Rs. 2,06,131 from 5,726 persons. In 1899-1900, the first of the triennium, the figures fell under every head, but the tax was the next highest on record, the original demand Rs. 2,20,455 and the final Rs. 2,02,112. A further decline was witnessed in 1900-1901 to Rs. 1,76,759 original and Rs. 1,71,174 final, the number of assessees being smaller than in any preceding year. The tax was, however, larger than in 1891-92 and years previous thereto. The decline continued in 1901-1902 to its lowest level since the institution of the tax, the original demand being Rs. 1,59,699 against 4,494 assessees and the final demand Rs. 1,55,263 against 4,381 assessees. The cause, as stated by the Collector, was the "effects of famine increasingly felt by all classes." Notwithstanding these reductions, however, the triennial average of the tax is better than that of the preceding 13 years :—

	Original Demand.		Final Demand.		Incidence per head of tax-payer.	Incidence per head of population.
	Assessees.	Amount.	Assessees.	Amount.		
		Rs.		Rs.	Rs. a. p.	Re. a. p.
Triennium	... 4,906	1,85,638	4,630	1,76,183	37 15 1	0 3 4
13 years	... 5,820	1,83,109	5,434	1,70,264	31 6 6	0 3 1

The balances unrecovered at the end of each year were Rs. 19,748 in 1899-1900, Rs. 34,011 in 1900-1901, and Rs. 28,884 in 1901-1902, of which Rs. 15,395 and Rs. 30,242, respectively, were collected in the following years, and Rs. 4,353 and Rs. 3,769 written off. Up to date Rs. 1,435 of the balance of Rs. 28,884 of 1901-1902 have been written off. The decline in petitions of objections both to the Collector and the Commissioner in this district is satisfactory. The higher average figures of the triennium over the previous 13 years are fully justified by the advancing prosperity of the towns of Ahmedabad and Viramgám, and declining figures for the last three years by the ill-effects of famine on the mills and on general business.

4. *Kaira.*—In this district the highest figures were reached in the first year of the tax (1886-87), the original demand being Rs. 82,528 against 3,622 assessees, and the final Rs. 78,926 against 3,571 assessees. The following year was the *next* highest record and since then the yield steadily declined, and in 1892-93 it came down to Rs. 73,319 (final). In 1893-94 it rose to Rs. 75,284 and fell in 1894-95 to Rs. 73,161, declined again gradually to Rs. 71,123 in 1898-99, recovered in the next year, the first of the triennium and of famine, to Rs. 73,447, lowered in the next to Rs. 71,126, and in the next (1901-1902) to Rs. 60,556, the worst on record. The averages are :—

	Original Demand.		Final Demand.		Incidence per head of tax-payer.	Incidence per head of population.
	Assessees.	Amount.	Assessees.	Amount.		
		Rs.		Rs.	Rs. a. p.	Re. a. p.
Triennium	... 3,229	77,457	2,902	68,376	23 8 8	0 1 5
13 years	... 3,356	77,785	3,212	73,978	23 0 9	0 1 5

The district is essentially an agricultural district, money-lenders, bankers and grain-dealers being the chief contributors to the tax in the order given. The famine of 1899-1900 and succeeding years was only the climax to a series of bad years and the downward tendency with occasional fluctuations are only reflections. Plague, too, has dealt somewhat hardly with this district. The

increase in the number of petitions of objections is another unsatisfactory feature. The proportion of reductions of the tax on objections has also increased. The Collector should, however, devote his attention to the subject of improvement. The recent orders of Government and the Confidential Note Book ordered to be kept by Mámlatdárs should give both them and Sub-Divisional Officers a useful impulse.

Of the balances of Rs. 18,653 of 1899-1900, Rs. 16,425 were recovered in the succeeding year and Rs. 2,228 written off. Of Rs. 26,937 of 1900-1901, Rs. 25,209 were recovered in 1901-1902 and Rs. 1,728 written off. Rs. 18,119 were outstanding on 31st March last, and of this sum only Rs. 345 have been written off up to date, the balance being in course of recovery.

5. *Panch Maháls.*—In this district the record year under all heads was 1900-1901, the second of the triennium and of the famine series. From 603 persons assessed finally in the sum of Rs. 10,189 in 1886-87 the figures grew gradually, with intermittent variations, to 865 and Rs. 19,395, and although they fell in 1901-1902 to 841 and Rs. 15,889 as might have been expected, they are next highest on record. These inflated figures were due to trade not only in grain but in hides, of which Godhra was a great centre. There will, of course, be a more than corresponding re-action, for the dead cattle were an important part of the working capital of the country, but on the other hand a good season should open the stocks of wood-contractors and the accounts of money-lenders. The contributions of grain-dealers to the increase in this district is a commentary on the decrease in the adjoining district of Kaira, and supports the Collector of that district in his doubts whether their increased trade had been adequately realised by assessing officers. The averages are:—

Original Demand.		Final Demand.		Incidence per head of tax-payer.	Incidence per head of population.
Assessees.	Amount.	Assessees.	Amount.		
	Rs.		Rs.	Rs. a. p.	Re. a. p.
Triennium 872	17,977	831	16,625	19 15 4	0 1 0
13 years 700	13,335	673	12,416	18 6 7	0 0 8

The actual collections of the three years were all but Rs. 524, Rs. 3,668 and Rs. 4,284 in 1899-1900, 1900-1901 and 1901-1902, respectively. The whole balance was recovered for the first two years in the succeeding years, except Rs. 237 written off on account of 1899-1900, and it is presumed that as Rs. 20 only have been yet written off for 1901-1902, the whole of the balance of Rs. 4,284 has since been recovered.

6. *Broach.*—This district presents almost similar fluctuations to Ahmedabad. The record year was 1898-99, in which the final demand was Rs. 63,085 against 1,640 assessees, representing a jump from Rs. 47,252 in the year preceding and a gradual increase from Rs. 34,215 from 1886-87. In 1899-1900, the first of the triennium, it fell to 56,979 against 1,553 assessees (which was, however, better than any previous year, except 1898-99), in 1900-1901 the decline was to Rs. 45,073 against 1,365 assessees, and in 1901-1902 to Rs. 43,142 against 1,373 assessees. The Collector gives reasons for the rise and fall for the last ten years. The averages compare as follows:—

Original Demand.		Final Demand.		Incidence per head of tax-payer.	Incidence per head of population.
Assessees.	Amount.	Assessees.	Amount.		
	Rs.		Rs.	Rs. a. p.	Re. a. p.
Triennium 1,540	52,748	1,430	48,398	33 11 4	0 2 6
13 years 1,644	46,438	1,535	42,825	27 10 10	0 2 0

The balances were Rs. 611 in 1899-1900, Rs. 10,005 in 1900-1901 and Rs. 8,512 in 1901-1902. All but Rs. 160, Rs. 923 and Rs. 36 which have been written off for the three years, respectively, were duly collected in the succeeding years.

7. *Surat.*—In this district the highest figures reached were in the following years: Original assessees 3,698 in 1890-91, original demand Rs. 1,00,305 in 1889-90; final assessees 3,485 in 1892-93 and final demand Rs. 88,089 in 1901-1902. The inverse order of gradation is presented in the growth of the tax during the triennium as compared with the Northern Districts of Gujarát. The tax which yielded over Rs. 80,000 in the final demand up to 1898-99 fell to Rs. 74,443 in 1899-1900, the first of the triennium, and the first in which the injurious effects of the plague epidemic in Surat in the preceding year showed itself. The recovery was rapid, for in the next year 1900-1901 the demand leaped to Rs. 84,236 and in 1901-1902 Rs. 88,089. The district was only partially affected by scarcity, and considerable profits from grass and other products for supply to Northern Gujarát were made. The value of searching enquiries by the Collector and his Assistants is a point also worthy of mention in connection with the improvement of the yield. The averages are :—

	Original Demand.		Final Demand.		Incidence per head of tax-payer.	Incidence per head of population.
	Assessees.	Amount.	Assessees.	Amount.		
		Rs.		Rs.	Rs. a. p.	Re. a. p.
Triennium	3,412	90,754	3,249	82,256	25 4 6	0 2 0
13 years	3,541	90,178	3,328	82,443	24 12 3	0 2 1

The comparison is favourable notwithstanding the large decline in 1899-1900. The collections within the year of assessment were fair, Rs. 4,274, Rs. 14,207 and Rs. 10,926 being unrecovered in 1899-1900, 1900-1901 and 1901-1902. All but Rs. 1,011 and Rs. 1,622 (which were written off) belonging to the first two years were recovered in the next.

8. *Thána.*—The tax reached its highest level in 1890-91, both in the original demand and the number of persons from whom it was made and the final demand and the number of assessees (final Rs. 38,099). Since then it was fairly constant at Rs. 35,000 up to 1897-98, when it fell to Rs. 32,896; and in 1899-1900, the first of the triennium, it was Rs. 31,146, improving to Rs. 32,458 in the following year and to Rs. 32,957 in 1901-1902. The shadows of plague which has ravaged this district since 1897-98 are seen in these figures But for it there would, doubtless, have been an increase. The averages are :—

	Original Demand.		Final Demand.		Incidence per head of tax-payer.	Incidence per head of population.
	Assessees.	Amount.	Assessees.	Amount.		
		Rs.		Rs.	Rs. a. p.	Re. a. p.
Triennium	1,536	34,332	1,471	32,187	21 14 4	0 0 8
13 years	1,707	36,649	1,607	33,889	21 0 9	0 0 7¾

The balances unrecovered within the year were Rs. 1,288, Rs. 5,485 and Rs. 3,862, of which all were recovered in the next succeeding year, except Rs. 403, Rs. 924 and Rs. 20 written off. The smallness of the figures in this district is probably accounted for by the large number of local capitalists who reside in Bombay and are assessed there.

9. On the whole, considering the calamities of plague and famine which have befallen the districts of this Division, the above review of the growth or fall of the income-tax for the triennium, in relation to the statistics of previous years, gives cause for satisfaction. That petitions of objections are increasing is, as Mr. Logan remarks, not indicative of any unfairness in the levy in the tax,

but of its unpopularity. The well-to-do, who do not yet bear their proper proportion of taxation, are the loudest and most persistent objectors. It is to these that Assessing and Appellate Officers should turn their most careful attention. The general course of results was, at the beginning of the term under report, a rise owing to the temporary stimulus given to imports of grain and fodder and exports of hides, tempered by the depression of all other classes by famine. This is being followed by a general recoil owing to the paralysis of industry and depletion of capital caused by successive years of drought. There is good hope that, with a return of good seasons, there will be greater prosperity than ever.

F. S. P. LELY,
Commissioner, Northern Division.

To

THE SECRETARY TO GOVERNMENT,
Financial Department, Bombay.

No. R.-4780 OF 1902.

From

A. D. YOUNGHUSBAND, Esq., I. C. S.,
Commissioner, Central Division;

To

THE SECRETARY TO GOVERNMENT,
Financial Department.

Camp Dhulia, 30th November 1902.

SIR,

I have the honour to forward herewith Returns Nos. III, IV, V, VI, VII and X showing the results of the operation of Act II of 1886 in the districts of the Central Division during the past financial year and, in accordance with the orders contained in paragraph 2 of the Government of India Resolution printed in Government Resolution No. 2343 of the 18th June 1901, to review the results of the past three years.

2. The final demand in the Division as a whole was almost stationary during the triennium, having amounted last year to Rs. 4,26,083 as against Rs. 4,28,919 in 1900-1901 and Rs. 4,27,180 in 1899-1900. This is what might be expected in view of the character of the past three seasons, but the results in some of the districts taken separately are very unequal. In Poona and Sátára, the two districts least affected by the famine, there was a continuous decrease, while Sholápur, which suffered very severely, exhibits a steady increase. Plague prevailed in all three districts and thus cannot account for the anomaly: nor is any satisfactory explanation given by the Collectors. A comparison of the final demand last year with that in 1895-96, the last year in which the tax was collected under normal conditions, shows an increase on the whole of about Rs. 16,000. But on the other hand the realizations in 1901-1902 were smaller by Rs. 35,799 than those in 1895-96, while the uncollected balance amounted to Rs. 60,657 against Rs. 9,231. The arrears were proportionately heaviest last year in Sátára, having amounted to Rs. 13,270 as compared with a final demand of Rs. 40,637; and were smallest in Khándesh, for which the corresponding figures are Rs. 7,006 and Rs. 1,20,609.

3. There is, no doubt, some difficulty in effecting recoveries within the year when, owing to unfavourable seasons, revenue establishments are overburdened with work. But the figures pertaining to the Khándesh District show that the difficulty is not insuperable. If assessment lists are prepared with reasonable care and there is no laxity in enforcing recoveries, no excessive proportion of the demand should remain uncollected at the end of the year. The applications

for remission of irrecoverable balances received in this office from time to time make it clear that in both directions there is much room for improvement. In Sátára, where outstandings have been increasing while the demand has been diminishing, the methods of assessment and collection require to be specially investigated.

4. The collections in 1895-96 under each class (except the last, which exclusively represent the tax on the profits of companies) are contrasted with those in each of the past three years in the subjoined table :—

Class.	1895-96.	1899-1900.	1900-1901.	1901-1902.	
	Rs.	Rs.	Rs.	Rs.	
I	65,598	60,672	53,191	53,525	Group (1).
II	41,922	37,879	37,197	37,720	
III	38,205	36,855	35,120	35,096	
IV	30,983	30,575	30,080	30,710	Group (2).
V	25,731	24,251	25,454	25,229	
VI	24,353	25,057	23,766	24,746	
VII	31,747	36,672	36,396	36,451	Group (3).
VIII	72,533	73,382	74,696	79,145	
IX	41,395	49,786	50,650	55,309	
X	19,673	20,792	22,217	23,335	
XI	4,981	6,591	6,487	5,823	
XII	7,528	4,204	4,059	3,494	Group (4).
XIII	2,188	3,295	2,162	2,162	
XIV	.....	.....	.....	.....	
Total, I to XIV ...	1,80,045	1,94,722	1,96,667	2,05,719	
Grand Total ...	4,06,837	4,10,011	4,01,475	4,12,745	

The table exhibits some curious variations. The first and last group of classes show a decrease, the second group was stationary, while in the third group there was an increase. Among assessees, grain-dealers must have profited by the active trade and high prices which prevailed during the past three years, while the majority of other persons with varying incomes, such as lawyers, money-lenders and merchants other than traders in grain, &c., must have had their incomes seriously curtailed in consequence of the general slackness in business. It would have been interesting to know to what extent these fluctuations are reflected in the table, but little or no information has been furnished.

5. The incidence of the tax per head of population was last year lowest in Sátára (7 pies) and highest in Poona (1 anna 6 pies). Khándesh and Sholápur stood on the same level (1 anna 4 pies),—Násik (1 anna 2 pies) and Ahmednagar (10 pies) following next in order. In 1899-1900 and 1900-1901 there were some fluctuations in these ratios, but on the whole in these years as well as in the last normal year 1895-96 there was no marked variation in the relative pressure of taxation in the different districts of the Division.

6. The number of petitions of objections which was 4,400 in 1895-96 rose to 6,074 last year. Sátára, in which the proportion of appeals to assessees had in previous years been very high, and Ahmednagar show a decrease : in the other districts there was an increase, the number of petitions last year in Násik and Sholápur being more than double the total of 1895-96. As the tax has been in force for 17 years and as assessing officers should now have the threads of the work in their hands, a number of appeals equal to 40 per cent. of the total number of assessees seems excessive. The reductions on petitions have also steadily risen. They amounted last year to Rs. 29,018 as compared with Rs. 17,462 in 1895-96. This represents an increase of 60 per cent., whereas the increase in the original demand was only 6 per cent. These figures are a reflection on the existing methods of assessment.

6. On the whole, the administration of the Act cannot be regarded as altogether satisfactory. It seems to have got into a routine groove, the necessity for testing and revising assessments by personal inquiries during the travelling season being not adequately recognized by Táluka and Sub-Divisional Officers. The system referred to in paragraph 4 of this office No. R.-3523 of the 24th August 1901, according to which each táluka is divided into four sections, an

entirely new list based on personal enquiries being prepared by the Mámlatdár every year for one such section, has been introduced into all the districts of the Division and will it is hoped lead to substantial improvement. It will however be two or three years before the results of this arrangement can be felt. In the meanwhile the record connected with assessments and recoveries will be thoroughly examined by this office in selected tálukas during the travelling season.

7. It is hoped that in future the Collectors' triennial reports will be fuller and will throw more light on the fluctuations in the demand, collections and balances.

I have the honour to be, Sir,
Your most obedient Servant,
A. D. YOUNGHUSBAND,
Commissioner, Central Division.

No. 3914 OF 1902.

Belgaum, 7th October 1902.

From

R. M. KENNEDY, Esq., I.C.S.,
Commissioner, S. D.;

To

THE SECRETARY TO GOVERNMENT,
Financial Department,
Bombay.

SIR,

I have the honour to submit the following Report on the working of the Income Tax Act during the triennium ending 31st March 1902, together with the Collectors' reports noted in the margin and the returns compiled in my office specified below:—

Belgaum Collector's letters No. 5585 of 10th July and No. 6743 of 14th August 1902, and accompaniments.
Bijápur Collector's letter No. 2587 of 25/26th July 1902, and accompaniments.
Dhárwár Collector's letter No. 1058 of 5th July 1902, and accompaniments.
Kánara Collector's letter No. 4825 of 28th August 1902, and accompaniments.
Kolába Collector's letter No. 4262 of 9th July 1902, and accompaniments.
Ratnágiri Collector's letter No. 4174 of 10th July 1902, and accompaniments.

Return No. III.—Statement showing the collections of the tax under all the Parts of Schedule II of the Act.

Return No. IV.—Statement showing by districts the collections of the tax under all the Parts of Schedule II of the Act.

Return No. V.—Statement showing the original and final demands and the uncollected balances of sums due.

Return No. VI.—Statement showing by districts the original and final demands and the uncollected balances of sums due.

Return No. VII.—Statement showing the expenditure incurred in the assessment and collection of the tax.

Return No. X (in two parts).—Statements showing the final demands and collections under Parts II and IV of Schedule II of the Act in cities having a population of 50,000 and over and of 20,000 and over, respectively.

Returns Nos. I and II will be submitted direct by the Accountant General; Nos. VIII and IX have been dispensed with during the triennium under report by Government Resolution No. 1708 of the 3rd May last.

Appendix A,* attached to the report, shows the amount of the tax as brought on the books of the Accountant General and as entered in the Collector's Return No. III. The differences between the two sets of figures for the several districts are explained in the remarks column.

2. There is a complete agreement between Returns Nos. III and V. The apparent discrepancy noticeable between column 22 of Return No. III and column 20 of Return No. V is due to the fact that over-collections, though included in the former, have, under standing orders, been omitted from the latter. The figures are :—

Year.	As per Return No. III (Column 22).	Over-collections remaining to be refunded at the end of the year.	As per Return No. V (Column 20).
	Rs.	Rs.	Rs.
1901-1902	2,07,078	1,013	2,06,065
1900-1901	2,11,819	1,043	2,10,776
1899-1900	2,00,620	889	1,99,731

3. The lists of assessment were, as usual, prepared by the Mámlatdárs and Mahálkaris for the Tálukas and Maháls, respectively, under their charge. They were generally based on the final demand of the previous year supplemented by fresh enquiries made by the assessing officers. The lists thus framed were scrutinized by the Assistant and Deputy Collectors in charge of Tálukas and were further examined by the Collectors by whom they were finally published under the authority of Government Resolution No. 3185 of 10th July 1900.

4. The powers of revision were generally exercised by the Assistant and District Deputy Collectors within their respective charges. The Collectors are invested with the powers of a Commissioner under Section 27 of the Act; and in exercise of this power disposed of 40 appeals as against 31 and 22 in 1900-1901 and 1899-1900, respectively.

5. Of the 9,745 persons originally assessed in 1901-1902, 2,544 preferred petitions against their assessment. The demand was reduced from Rs. 2,29,316 to Rs. 2,18,182. The percentages of objections and of consequent reduction in the amount of assessment compare with those of 1900-1901 and 1899-1900 as follows:—

Year.	Percentage of petitions to assessees.	Percentage of reductions.
1901-1902	26·0	4·8
1900-1901	22·4	4·2
1899-1900	18·8	3·6

The increased number of petitions does not necessarily indicate any high pitch of assessment. The petition costs a trifle (one-anna stamp) and it is but natural that there should be many persons who, though properly assessed, would try a chance of getting their tax reduced by appealing to higher authorities. An appeal also gives the applicant further time to pay. Compared with 1899-1900, however, the percentage of reductions in the two years following seems to stand high, being mainly contributed by Kánara, where it has almost doubled (12·2 in 1901-1902 against 6·9 in 1899-1900). The Collector, Mr. Panse, observes:—

"In this connection I would invite your attention to your No. 3558, dated the 9th November 1900, in which you remarked on the gradual falling off of the tax in the tálukas of Kárwár, Kumta and Sirsi. In compliance with the instructions therein contained, the Mámlatdárs concerned were directed to bring the assessment to its proper level. The result was that incomes were over-assessed and the assessment consequently required substantial reduction in appeal, especially in Kumta and Sirsi Tálukas."

* Not printed.

6. Comparing the original demand for each of the three years under report, a gradual improvement is observable, which is shared by all the districts in the Division, except Bijápur,* where, however, the demand increased slightly in 1900-1901, but fell off in 1901-1902. Similarly it is in Bijápur* alone that the final demand shows a falling off. The Collector ascribes the decrease to the prevalence of famine. The final demand for the Division for 1901-1902 shows a rise of 210 in the number of assessees and of Rs. 18,096 in the amount of assessment as against 1899-1900. The increase is generally attributed to the careful scrutiny exercised by the assessing officers.

* Year.	Original demand.	Final demand.
	Rs.	Rs.
1901-1902 ...	31,386	29,206
1900-1901 ...	31,872	30,230
1899-1900 ...	31,728	29,924

7. The revenue under Part I amounted to Rs. 24,859 in 1901-1902 as against Rs. 29,190 in 1900-1901 and Rs. 26,333 in 1899-1900, the greater portion of which was as usual realised in Dhárwár. The decrease, the Collector explains, is due to the fact that the figures for the two years previous to 1901-1902 included the tax collected on the salaries of the employés of the Southern Marátha Railway Company for thirteen months, while those for 1901-1902 represent the tax for eleven months only. The explanation is not quite clear, and Mr. Gibb has been asked for a more detailed report on the point.

8. Dhárwár is the only district where taxable companies exist. They numbered 5 in 1901-1902 against 8 and 6 in the two years preceding. The Collector reports that two of the firms at Gadag and one at Hubli, which were formerly taxed, had to be exempted during 1901-1902 owing to a decrease in their income below the taxable minimum. The total amount realised came to Rs. 261 against Rs. 750 and Rs. 683 in 1900-1901 and 1899-1900.

9. The revenue under Part III accrued in Kolába and Ratnágiri only and was trifling in amount.

10. As already observed, the final demand under Part IV shows a steady increase during the triennium. The figures are :—

Year.	No. of assessees.	Amount of assessment.
		Rs.
1901-1902	8,471	1,93,046
1900-1901	8,082	1,82,084
1899-1900	7,993	1,73,047

It is gratifying to note that, in spite of the disturbing elements of plague and famine, a steady improvement has been kept up. No doubt the lists of assessment still leave much to be desired. They are practically in the hands of the Mámlatdárs and there is a tendency to omit names, to realise from the poor, and to under-assess the rich. Close and effective supervision is the only remedy, and I am calling the attention of the Sub-Divisional Officers and Collectors to the matter.

11. As is to be expected from the improved results of the triennium, the incidence of the tax per head of population shows a small rise from 7·6 in 1899-1900 to 8 pies in 1900-1901 and to 8·2 in 1901-1902.

12. No difficulty was experienced in the collection of the tax. The penalties inflicted were few and amounted to Rs. 163. The corresponding figures for 1900-1901 and 1899-1900 were Rs. 103 and Rs. 34.

13. The balance outstanding at the close of 1901-1902 amounted to Rs. 16,634, and is distributed as under :—

	Rs.
Belgaum	1,559
Bijápur	2,219
Dhárwár	9,529
Kánara	1,462
Kolába	1,385
Ratnágiri	480
Total	16,634

Of this Rs. 1,204 have been, or are proposed to be, written off as irrecoverable and Rs. 11,554 have been recovered during the current year. The remainder (Rs. 3,876) is in course of collection.

14. The assessment and collection of the tax were, as usual, performed by the ordinary revenue establishment. In the districts of Belgaum, Bijápur and Dhárwár temporary establishments were employed for the compilation of the annual returns, and the details of expenditure incurred are given in Return No. VII.

15. The whole of the triennium under report was marked by the existence of famine and plague. It is satisfactory to find that in spite of this the final demand shows a steady improvement. The tax is realised with comparatively little or no pressure as evidenced by the small amount of penalties inflicted. On the whole the administration of the Income Tax Act during the triennium may be considered satisfactory.

I have the honour to be, Sir,
Your most obedient Servant,
R. M. KENNEDY,
Commissioner, S. D.

No. 3496 OF 1902.

REVENUE DEPARTMENT.

Commissioner's Office, 23rd December 1902.

MEMORANDUM.

The Commissioner in Sind presents compliments and has the honour to forward the report on the working of the Income Tax Act in the Province of Sind during the triennium ending with the 31st March 1902.

The following returns compiled in this office have already been forwarded to Government under this office Memorandum No. 3387 of the 8th instant:—

Return No. III.—Statement showing collections of the tax under Act II of 1886 during the triennium.

Return No. IV.—Statement showing District collections of the tax.

Return No. V.—Statement showing the original and final demands and uncollected balances of sums due during the triennium under each part of Schedule II of the Act.

Return No. VI.—Statement showing by Districts the original and final demands and uncollected balances.

Return No. VII.—Statement showing the expenditure incurred in the assessment and collection of the tax.

Return No. X.—Statement showing the average final assessment and collections under the Act in cities having a population of 50,000 and over.

The return prescribed by Government Circular No. 423 of 29th January 1902, showing the information contained in Statement X for all towns having a population of 20,000 and over, is attached.

The Commissioner regrets, very much, the delay in sending the report so long after the prescribed date; the delay is due to the last of the District reports not having been received in this office till the first week of this month.

2. The difference between column 22 of Return No. III and column 20 of Return No. V is due to over-collections (Rs. 335) remaining unrefunded at the close of the year being excluded from the latter and a sum of Rs. 92, representing arrears of the last year collected in the Upper Sind Frontier District during 1901-1902, not being included in the former.

ADMINISTRATION.

3. *Preparation of Assessment Lists.*—There was no change as regards the existing practice in the preparation of the assessment lists, their scrutiny and

revision. The lists for all the tálukas in Sind and the town of Sukkur were prepared by the Mukhtiárkars; those for the City of Karáchi by the City Deputy Collector, for Hyderabad by the Huzúr Deputy Collector assisted by the Mukhtiárkar, and for Shikárpur by the Mukhtiárkar under the supervision of the City Magistrate. The Táluka lists, with the exception of those for the Jacobabad and Shahdádpur Tálukas which are directly under the charge of the Deputy Commissioner, Upper Sind Frontier, were carefully scrutinized by the Assistant or District Deputy Collectors and after a further examination in the District Offices were published by the Collectors and Deputy Commissioners under the authority vested in them by Government Resolution No. 3185 of 10th July 1900.

4. *Revision.*—The powers of revision under Section 25 of the Act were generally exercised by the Assistant and Deputy Collectors except in the tálukas of Jacobabad and Shahdádpur where they were exercised by the Deputy Commissioner. In the City of Karáchi the City Deputy Collector exercised them; in the towns of Hyderabad, Sukkur and Larkána the Huzúr Deputy Collectors, and in Shikárpur the City Magistrate. These officers disposed of 3,888 petitions during 1901-1902 against 3,213 in 1900-1901 and 2,648 in 1899-1900.

5. *Supervision.*—The Collectors and Deputy Commissioners exercised the powers of a Commissioner under Section 27 of the Act for their respective districts and disposed of 85 appeals as against 140 in 1900-1901 and 93 in 1899-1900.

Original and final demands.

6. Statement VI shows for each district the original and final demand as well as the collections and outstanding balances. The original and final demand for each of the three years of the triennium stand as under :—

	Original Demand.		Final Demand.		Collections.
	Number of assessees.	Tax.	Number of assessees.	Tax.	
		Rs.		Rs.	Rs.
1901-1902	15,358	4,10,042	14,938	3,92,392	3,75,079
1900-1901	15,341	4,03,919	15,016	3,91,701	3,82,886
1899-1900	15,192	3,66,410	14,720	3,52,563	3,49,714

There has been a gradual increase in both the original and final demand, but the number of assessees finally taxed in 1901-02 is less than that of the preceding year; the rise in the final demand of the past two years over that of 1899-1900 is most noticeable in the case of the Hyderabad and Thar and Párkar Districts, where large irrigation works have lately been carried out and has been attributed to the increased prosperity of the people and the closer supervision exercised over the work of assessing officers.

The number of people assessed to the tax during 1901-1902 is however less than that of last year and this is said to be due to a smaller number of money-lenders being assessed owing to the introduction of the Deccan Agriculturists' Relief Act and the liberal takávi advances made to agriculturists.

It is satisfactory to note that in spite of the increased demand there was a marked decrease in the figures under penalties as compared with the year 1899-1900. Penalties to the extent of Rs. 717 were inflicted in 193 cases in 1901-1902 against Rs. 809 in 214 cases in 1900-1901 and Rs. 1,754 in 385 cases in 1899-1900.

7. *Incidence of the Tax.*—The following table shows for each district the number of persons originally assessed to the tax, the number of petitions of objections preferred against the original assessments, the percentage of petitions to assessees, the percentage of reductions on objections and the incidence of the tax;—

District.	Number of persons originally assessed.	Number of petitions of objection.	Percentage of petitions to assessees.	Percentage of reductions on objections.	Incidence of tax.			
					Population of District.	Per head of population.	Per head of tax-payer.	Number of persons to one tax-payer.
						Rs. a. p.	Rs. a. p.	
Karáchi	3,233	626	19·36	4·51	4,46,513	0 4 7	41 5 1	144
Hyderabad	4,130	1,103	26·70	4·33	9,89,030	0 1 6	23 2 8	244
Sukkur	3,019	839	27·78	3·79	5,23,345	0 2 2	24 14 0	177
Lárkána	3,041	1,023	33·63	4·92	6,56,083	0 1 5	19 13 9	223
Thar and Párkar	1,229	269	21·88	2·08	3,63,894	0 1 1	20 0 11	304
Upper Sind Frontier	706	113	16·0	5·97	2,32,045	0 1 0	20 10 1	343
Total for 1901-1902 ...	15,358	3,973	25·89	4·30	*32,10,910	0 1 11	26 4 4	215
1899-1900 ...	15,192	3,237	21·30	3·77	†28,71,774	0 1 11	23 15 2	195

* Census of 1901. † Census of 1891.

Although the number of petitions of objection is high in the Hyderabad, Sukkur and Lárkána Districts, especially the last, the percentage of reductions of the tax on objections in these districts is normal. The large number of these petitions is stated to be due to the attempts made generally by petty native traders and money-lenders to escape the assessment properly leviable from them. The average incidence of the tax per head of population virtually remained unchanged in the first and last years of the triennium. The incidence of the tax per head of tax-payer is highest as usual in the Karáchi District owing to the wealth and importance of the City of Karáchi, the Capital of the Province and the business centre; the incidence of the tax in this district during 1899-1900 worked out to Rs. 35-10-1 as compared with Rs. 41-5-1 in 1901-1902: the increase is apparent only as, owing to the transfer of the Sehwan Division to the Lárkána District, the total number of assessees fell by about 500 persons mostly belonging to the lower classes.

8. *Classification of the Tax.*—The distribution of the amount collected over the main heads of income is shown in the subjoined table:—

Heads.	1901-1902.	1900-1901.	1899-1900.
	Rs.	Rs.	Rs.
Part I—Salaries	31,761	31,681	30,918
Part II—Companies	2,592	2,336	1,419
Part III—Interest on Securities	4,744	4,876	4,342
Part IV—Other sources, *i.e.*, Profession, Commerce, Transport, Trade, Manufacture, Property.	3,35,982	3,43,993	3,12,335

9. *Expenditure.*—The expenditure incurred in the assessment and collection of the tax during 1901-1902 amounted to Rs. 1,970-9-9 as compared with Rs. 1,586-12-9 given in the figures for 1900-1901, and Rs. 1,874-6-2 for 1899-1900. The figure for 1900-1901 should really be Rs. 1,839-12-9, as a sum of Rs. 253 paid as commission to companies for collecting the tax from their employés was excluded from the last year's figures. The increase in expenditure during the year 1901-1902 as compared with 1900-1901 is due to Rs. 444-12-3 being paid as commission in the former as compared with Rs. 253 in the latter year.

General Remarks.

10. The character of each year under review is reflected in the collections of the tax. In the year 1899-1900, one of an exceptionally low inundation, the collections amounted to Rs. 3,49,714. This was followed by a good season with a total collection of Rs. 3,82,886, while the year that has just past, though not nearly so bad as that of 1899-1900, was less prosperous than that of 1900-1901 and the collections stood at Rs. 3,75,079.

The insignificant amount of penalties indicates that the impost, though unpopular like all direct taxation, is levied without much difficulty. Nothing worthy of particular comment occurred during the period under report and the administration of the Act seems to have been carried on smoothly and successfully.

A. CUMINE,
Commissioner in Sind.

To

THE SECRETARY TO GOVERNMENT,
Financial Department, Bombay.

No. 3968 OF 1902-1903.

Income Tax Office, 24, Esplanade Road;
Bombay, 28th August 1902.

From

H. C. COORLAVALA, Esq.,
Income Tax Collector, Bombay;

To

W. T. MORRISON, Esq., I. C. S.,
Acting Secretary to Government,
Financial Department, Bombay.

SIR,

I have the honour to submit my Report on the working of the Income Tax Act in the City of Bombay for the triennium ending 31st March 1902, and to append the following returns:—

No. III.—Statement showing the collections of the tax under Parts I, II, III and IV of Schedule II of the Act.

No. V.—Statement showing the original and final demand and uncollected balances of sums due at the close of the year.

No. VII.—Statement of expenditure incurred in the assessment and collection of the tax.

No. X.—Statement showing the average final assessments and collections under Parts II and IV of the second Schedule of Act II of 1886 for the three years ending 31st March 1902; and also a separate Annual Statement giving information under Parts II and IV of the second Schedule of the Income Tax Act II of 1886, as prescribed in Government Circular No. 423, dated 29th January 1902.

2. There is complete agreement between the Returns Nos. III and V.

3. The figures contained in these statements also agree with those in the Accountant General's books.

4. Taking all the Parts together, the year's operations have resulted in an increase of Rs. 25,891 over the collections of the preceding year. There is a marked increase of Rs. 56,594 under Part IV—Commerce and Trade. This large increase was chiefly due to the improved efficiency of the Department in consequence of the addition to the establishment sanctioned by Government in May 1901. In Government Resolution, Financial Department, No. 1919, dated 14th May 1901, Government were pleased to observe:—

"It is hoped that with the increase of establishment now sanctioned and a more complete system of record, better results will be obtained."

Accordingly I spared no pains in carrying out the wishes of Government; how far my efforts have been successful will be seen from the figures given below. The increased establishment rendered possible more searching inquiries as to persons liable to the tax; and I submit that the result has been very satisfactory, considering the development of the tax under Part IV—Commerce and Trade—in the preceding two years as shown below:—

Year.	Number of assessees.	Amount.	Increase.
		Rs.	Rs.
1899-1900	12,435	8,96,641	.....
1900-1901	13,157	9,43,077	46,436
1901-1902	15,494	9,99,671	56,594
		Increase in 3 years ...	1,03,030

5. Up to 1900-1901 petitions of objection were not required to be made in writing. Objectors were allowed to make their representations verbally to the Collector, and upon production of satisfactory proofs in support of such verbal representation, the amount of assessment was settled. This procedure differed from that laid down in Section 25 of the Income Tax Act, but the magnitude of the operation of the Income Tax Office, coupled with the weak constitution of the establishment until last year, made it impracticable for this Department to follow closely the strict letter of the law. In the year under report written petitions were demanded as directed in paragraph 5 of the Government Resolution, Financial Department, No. 1884, dated 11th May 1901. It was notified to the assessees that objections to the assessment must be made in writing in accordance with Section 25 in petitions in the form prescribed in the third Schedule; written petitions were demanded in all cases, and a register was kept for the record of objections against assessment to the tax and the decisions thereon.

6. The original demand of Rs. 23,81,032 was made from 34,388 assessees as against Rs. 26,70,160 from 29,814 persons in the preceding year, showing a decrease of Rs. 2,89,128 in the demand and an increase of 4,574 in the number of persons assessed.

7. Out of 34,388 original assessees, 1,420 were successful in declaring their non-liability to the tax, and others secured reductions in their assessments, the net result being a reduction of Rs. 3,29,494. In addition to this, Rs. 1,84,770 were remitted on account of 2,947 double assessments in respect of assessees who owned properties or had places of business or residences in more than one ward, and were assessed separately in the different wards of this City. On account of recrudescence of plague some of the assessees were obliged to change their residence two or three times in the year, rendering double assessments necessary in the interests of Government revenue. These double assessments were finally cancelled on the aggregate tax being levied in the ward where the principal business was carried on. Rs. 32,742 were remitted in the cases of 678 assessees, as it was ultimately found impossible to realize the amount on account of death or migration of the assessees after the issue of notices of assessments, most of which had remained unserved.

The final demand after revision by Collector and Commissioner stood at Rs. 18,34,026. Adding penalties (Rs. 4,372) and arrears of previous year (Rs. 1,67,396), the aggregate amount for collection was Rs. 20,05,794, out of which Rs. 17,99,710 were realized within the year, leaving Rs. 2,06,084 outstanding, which all have since been recovered. The subjoined table shows in details the above particulars :—

District.	Population.	Original Demand.		Final Demand.						
				I. Salaries, &c.		II. Companies.		III. Securities.	IV. Other sources of Income.	
		Number.	Amount.	Number.	Amount.	Number.	Amount.	Amount.	Number.	Amount.
			Rs.		Rs.		Rs.	Rs.		Rs.
Bombay City ...	776,006	34,388	23,81,032	15,144	4,34,449	128	3,17,706	82,200	14,494	9,99,671

District.	Final Demand—*continued.*				Arrears of previous year.	Grand Total.	Gross Collection.	Refund.	Net Collection.	Balance outstanding.
	Total.		Penalties.							
	Number.	Amount.	Number.	Amount.						
		Rs.		Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Bombay City ...	29,766	18,34,026	256	4,372	1,67,396	20,05,794	18,00,747	1,037	17,99,710	2,06,084

8. Exclusive of the outstandings of the previous year (Rs. 1,67,396), the amount of tax collected on account of the year 1901-1902 has been Rs. 18,34,026, of which Rs. 16,31,336 were collected between 1st April 1901 to 31st March 1902, and Rs. 2,06,084 were collected after that date. This result gives a total increase of Rs. 25,891 over the collections of the previous year as shown below in the details of the Parts:—

	1901-1902.		1900-1901.		Increase.		Decrease.	
	Number of assessees.	Amount.	Number of assessees.	Amount.	Number of assessees.	Amount.	Number of assessees.	Amount.
		Rs.		Rs.		Rs.		Rs.
Part I ... (Salaries)	15,144	4,34,449	14,551	4,07,050	593	27,399	...	...
Part II ... Railways	4	93,182	4	1,08,180	...	...	...	14,998
Part II ... Other Joint Stock Companies	124	2,24,524	154	2,81,157	...	...	30	56,633
Part III... Interest on Securities .	...	82,200	...	72,691	...	9,509	...	...
Part IV ... Commerce, Trade, &c. .	14,494	9,99,671	13,157	9,43,077	1,337	56,594	...	...
Penalties	...	4,372	...	352	...	4,020	...	...
Total ...	29,766	18,38,398	27,866	18,12,507	1,930	97,522	30	71,631
Net Increase in 1901-1902 ...					Net Increase in the number of Assessees ... 1,900. Net Increase in Collection... Rs. 25,891.			

9. It will be seen from the above table that there was an increase in the receipts in all the Parts in the year under report except under Part II.

10. Under Part I—Tax on Salaries—there is an increase of Rs. 27,399 over the collections of 1900-1901. This increase is mainly due to the transfer of the head-quarters of the Indian Midland Railway to Bombay and the consequent recovery of the tax on salaries of its employés in Bombay. The increase is also partly due to the re-opening of some of the mills in 1901 which remained closed for a greater portion of the year 1900 owing to the depressed condition of the mill industry in that year.

11. Under Part II—Tax on Profits of Joint Stock Companies—the payment of tax made by the Railway Companies shows a decrease of Rs. 14,998 as shown below:—

	1900-1901.	1901-1902.	Increase.	Decrease.
Tax on surplus profits of Railway Companies.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.
Great Indian Peninsula Railway ...	46,646 13 2	11,988 14 6	.....	34,657 14 8
Bombay Baroda and Central India Railway	28,241 2 9	67,766 6 11	39,525 4 2	.....
Rajputána-Málwa Railway... ...	19,690 14 2	358 15 9	.....	19,331 14 5
Southern Mahrátta Railway ...	13,601 7 1	13,068 0 5	...	533 6 8
Total ...	1,08,180 5 2	93,182 5 7	39,525 4 2	54,523 3 9
			Total decrease Rs. ...	14,998 0 0

The decrease in income-tax paid by the G. I. P. Railway for the year 1901-1902, as compared with the payment for the preceding year, is due to the fact that the late G. I. P. Railway Company drew a moiety of *one-half* of the surplus profits, while the present working Company draws, under the Contract dated 21st December 1900, *one-twentieth* of the surplus profits only.

The increase of Rs. 39,525-4-2 in the amount of the taxes paid by the B. B. & C. I. Railway during the year 1901-1902, as compared with the payment in 1900-1901, was due to the payment of the tax for the second-half of 1900, amounting to Rs. 20,585-4-2, in the first month of the year 1901-1902 instead of in the closing month of the year 1900-1901 as usual.

The decrease in the Rájputána-Málwa Railway is due to the fact that under the new contract for working that Railway the B. B. & C. I. Railway Company do not receive any share of the surplus profits of the Rájputána-Málwa Railway, and hence no payment was made for 1901-1902.

The decrease in the tax paid by the Southern Mahrátta Railway was due to decreased earnings, which is mainly attributable to a general decline in merchandise traffic on the Southern Mahrátta Railway proper.

12. The tax on the earnings of the other Joint Stock Companies assessed under Part II shows a decrease of Rs. 56,633. This decrease was mainly due to the closing of some of the cotton mills for a greater portion of the year 1900, owing to the depressed condition of the mill industry, caused especially by plague, famine and the political crisis in China. The year 1900, the accounts of which formed the basis of assessments for 1901-1902, was unremunerative owing to the continued depression in the Chinese markets, where the prices of yarns ruled materially below cost of production (the rise in the price of raw cotton, owing to the failure of the cotton crop, having raised the cost of production). The above circumstance obliged many of the Mill Agents to keep the mills closed for a portion of the year rather than incur heavy losses by keeping them working. Many of the cotton presses, which made good profits in the preceding year, made little or no profits in consequence of the failure of the cotton crop owing to the scanty monsoon.

13. Under Part III—Interest on Securities—the increase of Rs. 9,509 in the actuals of 1901-1902 over those of 1900-1901 is due principally to the issue of new debentures by Local Authorities and a few cotton mills companies.

14. Under Part IV—Commerce, Trade, &c.—the actual collections, *viz.*, Rs. 9,99,671 for 1901-1902, show an increase of Rs. 56,594 over the collections of 1900-1901. This result is not attributable to any appreciable improvement in trade, but is due mostly to the improvement in the establishment sanctioned by Government in 1901, which enabled the Department to carry on the work of assessment and collection of the tax with greater vigilance and efficiency. More searching inquiries as to persons liable to the tax in each house in each street and minute inquiries as to the circumstances and means of each tax-payer were made. A thorough house-to-house survey was organized. For this purpose the City was re-arranged into 9 wards as against the 6 wards which existed before. One Inspector was placed in charge of each ward with a sufficient number of assistants. A house-to-house survey was made in each street, and new street lists showing each house with its occupants in every street were prepared by the Inspectors, who were ordered to make minute inquiries into the circumstances and means of persons living in each house. The lists so prepared by the Inspectors were subjected to close scrutiny by myself and by my Gazetted Assistant. In this manner all the streets were visited either by myself or by Mr. McDonald for the purpose of satisfying ourselves that the Inspectors had noted down all the buildings and the names of assessable persons in each street, with particulars of the income and the nature of the business of each. As an additional safeguard against possible omissions, all the houses standing in a street were counted and were checked with survey lists in order to prevent any house being left out of the list.

15. The following table will show the growth of revenue during the three years 1899-1900, 1900-1901 and 1901-1902 :—

	1899-1900.		1900-1901.		1901-1902.	
	Number of Assessees.	Rs.	Number of Assessees.	Rs.	Number of Assessees.	Rs.
Part I.—Salaries	14,740	4,13,431	14,551	4,07,050	15,144	4,34,449
Part II.—Joint Stock Companies ...	154	2,78,426	154	2,81,157	124	2,24,524
Part II.—Railways	4	1,34,219	4	1,08,180	4	93,182
Part III.—Interest on Securities ...	...	72,124	...	72,691	...	82,200
Part IV.—Commerce, Trade, &c. ...	12,435	8,96,641	13,157	9,43,077	14,494	9,99,671
Penalties	...	219	...	352	...	4,372
Total ...	27,333	17,95,060	27,866	18,12,507	29,766	18,38,398

It will be seen from the above table that there is a rise of 2,433 in the number of assessees, and an increase of Rs. 43,338 in revenue in 1901-1902, as compared with the figures of 1899-1900.

The receipts under Commerce and Trade have risen from Rs. 8,96,641 to Rs. 9,99,671, giving a net increase of more than a lákh of rupees in 3 years.

16. The following table shows the number of persons originally assessed to the tax, the number of petitions of objection preferred against the original assessments, the percentage of petitions to assessees, the percentage of reduction on objections, and the incidence of the tax :—

District.	Number of persons originally assessed.	Number of objection petitions.	Percentage of petitions to assessees.	Percentage of reduction on objections.	Incidence of the Tax under Parts I, II, III and IV.			
					Population of the City of Bombay.	Per head of Population.	Per head of Tax-payer.	Number of persons to one Tax-payer.
						Rs. a. p.	Rs. a. p.	
Bombay City... ...	34,388	6,388	18·57	13·83	776,006	2 5 9	61 9 10	26

17. Difficulty is experienced by this Department in forming a reliable estimate of the profits of merchants and traders who do not close their accounts every year, and in many instances the assessments have to be settled by amicable settlement which always leans in favour of Government. As Government are aware, there is no law to compel the merchants and traders to furnish Income Tax returns, and the Collector is thus left to assess incomes from information derived by himself from sources available to him. In many cases traders and shopkeepers deliberately withhold information regarding their income, though their books are balanced and profit and loss accounts made up. They expect this Department to make a guess of their income, taking their chance of being under-assessed. In such cases it is deemed advisable in the interests of Government revenue to pitch the assessments as high as possible with the object of throwing on the assessees the responsibility of furnishing evidence of their income. This course, though very favourable to the interests of Government, leads to a large number of objection petitions being put in, the hearing and disposal of which entail very heavy work on the Collector.

18. Twenty-five petitions were made to the Commissioner under Section 27 of the Act. In 19 cases out of 25 petitions the action of this Department was confirmed by the Commissioner. In the remaining 6 cases the assessment fixed by me was reduced on appeal to the Commissioner from Rs. 4,720 to Rs. 2,190, thus making a total remission of Rs. 2,530 in the six cases. One appeal was made to Government, who, in their Resolution, Financial Department, No. 1094, dated 21st May 1902, declined to interfere in the matter.

19. Considerable difficulties are being experienced lately in effecting recoveries, the resistance to the demands of this department being more obstinate than before. Attempts were made by several assessees to evade proper assessments by producing unadjusted accounts or by producing accounts so manipulated as to show loss. Some of the assessees are in the habit of keeping back certain portions of their accounts, especially Sutta or speculative transactions; in their books they enter losses in speculation, but do not enter gains in speculative transactions. Some firms do not show the correct value of stocks on hand and thus try to evade the proper assessment by showing diminished amount of profits or even fictitious loss.

20. The following table shows the distribution over the main heads of the amount collected:—

Heads.	Amount.	Percentage on Total.
	Rs.	
I.—Salaries	4,32,093	24·01
II.—Companies	3,56,417	19·80
III.—Securities	80,250	4·46
IV.—(*a*) Profession	75,937	4·22
(*b*) Commerce	4,60,524	25·60
(*c*) Transport	16,713	·92
(*d*) Trade	93,166	5·17
(*e*) Manufacture	26,833	1·50
(*f*) Property	2,56,528	14·25
Total, Part IV ...	9,29,701	51·66
Penalty	1,249	.....
Grand Total ...	17,99,710	.....

21. It will be seen from Statement VII that Rs. 52,703 per annum represent the cost of the Income Tax Establishment, including Rs. 6,000 being office rent for the premises occupied by the Income Tax Department in a private building. The commission allowed at the rate of 2 per cent. to the heads of firms, &c., for the collection of income-tax on the salaries of their employés amounts to Rs. 6,985. The former sum (Rs. 52,703) bears the ratio of 2·92 per cent. to the amount collected, and on the total of the two sums (Rs. 59,688) the percentage comes to 3·31 as against 2·82 in the preceding year. The higher cost was chiefly due to an addition to establishment which has led to an increase of receipts amounting to Rs. 56,594 under the Head of Commerce and Trade.

I have the honour to be, Sir,
Your most obedient Servant,
H. C. COORLAVALA,
Income Tax Collector, Bombay.

No. 149-I.T. OF 1902.

FINANCIAL DEPARTMENT.

From

LIEUT.-COLONEL H. M. ABUD,
Acting Political Resident,
Aden;

To

THE SECRETARY TO GOVERNMENT,
Financial Department,
Bombay.

Dated Aden Treasury, 24th July 1902.

SIR,

As required by Government Resolution, Financial Department, No. 2343, dated 18th June 1901, and No. 1708, dated 3rd May 1902, I have the honour to

submit the Triennial Report of the Administration of the Income Tax Act in the Settlement of Aden for the triennium ending 31st March 1902, and to append the following Returns :—

Return III.—Statement showing the collections of the tax under Act II of 1886.

Return IV.—Statement showing the district collections of the tax under Act II of 1886.

Return V.—Statement showing the original and final demands and uncollected balances of sums due under Act II of 1886.

Return VI.—Statement showing the collections of the tax by districts under Act II of 1886.

Return VII.—Statement of expenditure incurred in the assessment and collections of the tax under Act II of 1886.

Return X.—Statement showing average final assessments and collections under Parts II and IV of Schedule II of Act II of 1886.

2. Returns III, IV, V and VI agree with one another under each Part, including the penalties shown in Returns III and V. The figures given in the Returns agree with the amount of the tax brought on the books of the Accountant General, Bombay.

3. The assessment list for the Settlement of Aden, as usual, was framed by the Head Accountant and Treasurer of the Aden Treasury ; the lists were principally based on the final demands of the previous year, supplemented by fresh enquiries.

Assessment List.

At Perim the tax was collected by the Assistant Resident, Perim, who is the Collector of Income Tax for the Island.

4. The First Assistant Resident, as Treasury Officer, exercised powers of revision under Section 25 of the Act in the Settlement of Aden.

Revision.

5. The general supervision was, as heretofore, exercised by the Resident, who has been invested with the powers of Commissioner under Section 27.

Supervision.

6. In Aden the tax is collected in one instalment in accordance with Government Resolution, Financial Department, No. 784, dated 19th March 1886.

Original Demand.

7. The average annual original demand during the triennium under report amounted to Rs. 46,127 leviable from 1,025 assessees, against Rs. 39,569 from 937 assessees of preceding triennium, showing an increase of Rs. 6,558 in the demand and of 88 in the number of the assessees. The amount remitted in consequence of the successful petitions of objections was Rs. 3,532 against Rs. 3,819 in the triennium ending 31st March 1899. The former sum includes Rs. 2,081 (compared with Rs. 2,472 of the previous triennium) on account of Income Tax having been paid by the Head Offices of the objectors in India. Thus the net amount remitted was Rs. 1,451 against Rs. 1,347 of the preceding triennium. The final demands realized under all Parts, except interest on Government Securities and official salaries, amounted to Rs. 42,272, after writing off Rs. 323 as irrecoverable. Penalties to the extent of Rs. 94 were inflicted on 64 persons. This, added to the final demand, brought up the grand total amount for collection to Rs. 42,366, which amount was recovered in full, and there was no outstanding at the close of the triennium. This demand, on comparison with the figures of the previous triennium, shows an increase of Rs. 6,927.

Original Demand.

8. The following table gives the details as to the number of persons originally assessed, percentage on petitions, and reductions and incidence of the tax :—

District.	Number of persons originally assessed.	Number of petitions of objections.	Percentage of petitions to assessees.	Percentage of reductions on objections.	Incidence of the tax under Parts I, II, III and IV.			
					Population of the District.	Per head of population.	Per head of tax-payer.	Number of persons to one tax-payer.
						Rs. a. p.	Rs. a. p.	
Aden	947	133	14·09	8·35	42,738	0 14 5	44 1 1	49
Perim	78	...	...	...	1,236	3 4 11	54 1 2	16
Total ...	1,025	133	12·98	7·66	43,974	0 15 6	44 11 11	46

9. It will be seen that out of the total number of 1,025 assessees, 133 or 12·98 per cent. appealed against the assessment, including 16 assessees who produced certificates of payment of Income Tax by their Head Offices in India. The amount remitted to them was Rs. 2,081; hence the percentage of reduction on objections was high.

10. The average incidence of the tax per head of population was Re. 0-15-6 and that per head of tax-payers was Rs. 44-11-11.

Final Demands.

11. Final demands under all Parts amounted to Rs. 42,595 as against Rs. 35,751 for the previous triennium, and the net increase was Rs. 6,844. The amount of penalty inflicted was of small amount; it was ordered in the case of persons who attempted to evade the tax after the period allowed for payment was over. In no case was fine inflicted.

Classified Income.

12. The distribution of the tax under the different trades, dealings and industries brought under the operation of the Act is given below;—

Heads.	Amount.	Percentage on total.
	Rs.	Rs.
I.—Salaries	16,576	39·21
II.—Companies	4,257	10·07
IV.—(*a*) Profession	222	·52
(*b*) Commerce	16,612	39·30
(*c*) Transport	737	1·74
(*d*) Trade	2,097	4·96
(*e*) Manufacture	188	·45
(*f*) Property	1,583	3·75
Total ...	21,439	50·72
Grand Total ...	42,272	.....

Return VII.

13. The total cost of the operations amounted to Rs. 984 against Rs. 904. The charge is, as usual, for the clerical establishment maintained during the triennium as well as for the commission paid for the collection of the tax by the employers from their employés.

General Remarks.

14. The working of the Act during the past triennium was satisfactory. The work is done with all reasonable care, and is carefully supervised. Assessments are invariably made on the best possible information obtainable and after careful enquiry, as no correct and accurate returns or accounts are furnished.

I have the honour to be, Sir,
Your most obedient Servant,
H. M. Abud, Lieut.-Colonel,
Acting Political Resident and
Commissioner of Income Tax.

RETURN No. I.

Statement showing the Collections of the Tax under Act II of 1886 from Salaries, Pensions, Annuities and Gratuities, paid by the Government in the year 1901-1902.

Class.	Income.	Paid by Government of Bombay.								Remarks.
		Salaries.		Pensions and Annuities.		Gratuities.		Total.		
		Number of Assessees.	Amount of Tax.	Number of Assessees.	Amount of Tax.	Number of Assessees.	Amount of Tax.	Number of Assessees.	Amount of Tax.	
1	2	3	4	5	6	7	8	9	10	11
			Rs.		Rs.		Rs.		Rs.	
I	Rs. 500, but less than Rs. 750	2,345	28,670	348	6,673	...	...	2,693	35,343	
II	„ 750 do. „ 1,000	711	12,812	154	3,434	...	...	865	16,246	
III	„ 1,000 do. „ 1,250	471	11,526	122	3,373	...	...	593	14,899	
IV	„ 1,250 do. „ 1,500	177	4,950	61	1,986	...	...	238	6,936	
V	„ 1,500 do. „ 1,750	176	5,774	61	2,096	...	...	237	7,870	
VI	„ 1,750 do. „ 2,000	283	10,853	52	2,207	...	...	335	13,060	
	Total, I to VI	4,163	74,585	798	19,769	...	...	4,961	94,354	
VII	Rs. 2,000, but less than Rs. 2,500	340	19,882	62	4,113	...	...	402	23,995	
VIII	„ 2,500 do. „ 5,000	426	40,479	99	9,878	...	...	525	50,357	
IX	„ 5,000 do. „ 10,000	300	58,450	35	6,174	1	15	336	64,639	
X	„ 10,000 do. „ 20,000	150	52,492	18	3,956	...	...	168	56,448	
XI	„ 20,000 do. „ 30,000	51	28,134	5	2,724	...	...	56	30,858	
XII	„ 30,000 do. „ 40,000	13	7,870	3	1,147	...	...	16	9,017	
XIII	„ 40,000 do. „ 50,000	13	13,217	3	1,535	...	...	16	14,752	
XIV	„ 50,000 do. „ 1,00,000	3	4,800	...	...	...	...	3	4,800	
XV	„ 1,00,000 and more ...	1	3,125	...	...	...	...	1	3,125	
	Total, VII to XV	1,297	2,28,449	225	29,527	1	15	1,523	2,57,991	
	Grand Total	5,460	3,03,034	1,023	49,296	1	15	6,484	3,52,345	
	Total of 1900-1901	5,632	3,05,210	1,047	49,228	1	21	6,680	3,54,459	
	Total of 1899-1900	5,415	2,99,580	1,002	51,440	1	260	6,418	3,51,280	

No. $\frac{\text{Bk.}}{290.}$ Book Department.

Forwarded to Government in the Financial Department, with reference to Article 1629 of the Civil Account Code. * * * *

Accountant General's Office, Bombay, 2nd June 1902.

O. T. BARROW,
Accountant General.

RETURN No. II.

Statement showing the Collections of the Tax under Act II of 1886 from Interest on Securities in the year 1901-1902.

Class.	Rate of Tax.	Securities of the Government of India.		Bonds or Debentures charged by Parliament on the Revenues of India.		Securities of Local Authority or Company.		Total.		Remarks.
		Amount of Securities.	Amount of Tax.	Amount of Securities.	Amount of Tax.	Amount of Securities.	Amount of Tax.	Amount of Securities.	Amount of Tax.	
1	2	3	4	5	6	7	8	9	10	11
		Rs.	Rs.			Rs.	Rs.	Rs.	Rs.	
I to VI ...	At 4 pies in the rupee ...	7,55,800	827	...	...	109,000	101	8,64,800	928	
VII to XV ...	At 5 pies in the rupee ...	22,01,22,600	1,79,666	...	...	12,46,59,100	86,528	34,47,81,700	2,66,194	
	Total ...	22,08,78,400	1,80,493	...	...	12,47,68,100	86,629	34,56,46,500	2,67,122	
	Total of 1900-1901 ...	16,80,95,400	1,68,411	...	...	6,24,58,500	80,738	23,05,53,900	2,49,149	
	Total of 1899-1900 ...	21,64,87,960	1,70,542	...	...	4,65,05,723	81,529	26,29,93,683	2,52,071	

No. $\frac{\text{Bk.}}{291.}$

Book Department.

Forwarded to Government in the Financial Department, with reference to Article 1629 of the Civil Account Code. * * * *

Accountant General's Office,
Bombay, 2nd June 1902.

O. T. BARROW,
Accountant General.

RETURN No. III.

Statement showing the Collections of the Tax under Act II of 1886 in the Bombay Presidency in the year 1901-1902.

Class.	Amount of Income.	Salaries, Pensions, Annuities, and Gratuities paid by the Government.		Salaries, Pensions, Annuities, and Gratuities paid by Local Authorities.		Salaries, &c., paid by Companies, Public Bodies, Associations, and Private Employers. Tax levied under Section 9 (1).		Salaries, &c., paid by Companies, Public Bodies, Associations, and Private Employers. Tax levied under Section 9 (2).		Profits of Companies.		Interest on Securities.
		Number of assessees.	Amount of Tax.	Number of assessees.	Amount of Tax.	Number of assessees.	Amount of Tax.	Number of assessees.	Amount of Tax.	Number of assessees.	Amount of Tax.	Amount of Tax.
1	2	3	4	5	6	7	8	9	10	11	12	13
	Rs. Rs.		Rs.		Rs.		Rs.		Rs.		Rs.	Rs.
I ...	500, but less than 750	2,693	35,343	1,369	11,726	547	6,179	7,724	66,566	7	93	.....
II ...	750 ,, 1,000	866	16,261	250	4,011	204	3,553	1,662	29,608	8	185	.....
III ...	1,000 ,, 1,250	593	14,899	159	3,468	133	3,088	1,206	28,310	6	183	.....
IV ...	1,250 ,, 1,500	283	6,966	99	2,555	67	1,848	641	18,046	7	232	.....
V ...	1,500 ,, 1,750	237	7,870	67	2,226	53	1,686	538	17,642	1	45	.....
VI ...	1,750 ,, 2,000	335	13,060	76	3,093	62	2,555	755	32,418	4	180	.....
	Unclassed	...	...	...	...	...	...	...	...	...	...	928
	Total, I to VI ...	4,962	94,369	2,020	27,079	1,066	18,909	12,526	1,92,590	33	918	928
VII ...	2,000, but less than 2,500	402	28,995	81	4,650	55	2,930	605	35,970	4	257	.....
VIII ...	2,500 ,, 5,000	525	50,357	108	9,088	119	10,450	1,127	1,08,360	32	2,972	.....
IX ...	5,000 ,, 10,000	335	64,624	55	9,744	46	7,783	333	58,120	31	5,607	.....
X ...	10,000 ,, 20,000	198	56,448	18	5,856	10	3,053	85	27,561	46	17,341	.....
XI ...	20,000 ,, 30,000	56	30,858	2	1,154	1	307	15	9,986	18	11,675	.....
XII ...	30,000 ,, 40,000	16	9,017	2	1,542	...	...	3	2,364	22	20,121	.....
XIII ...	40,000 ,, 50,000	14	14,752	...	...	...	...	...	...	7	8,575	.....
XIV ...	50,000 ,, 1,00,000	3	4,900	...	...	...	...	...	...	27	47,537	.....
XV ...	1,00,000 and more	1	3,125	...	...	...	...	...	...	26	2,80,002	.....
	Unclassed : 2,000, but less than 1,00,000	...	...	...	...	...	...	...	...	...	...	2,66,194
	Total, VII to XV ...	1,522	2,57,976	266	32,044	231	24,523	2,168	2,37,361	213	3,94,687	2,66,194
	Grand Total ...	6,484	3,52,345	2,286	59,123	1,297	43,432	14,694	4,29,951	246	3,95,605	2,67,122
	Total of 1900-1901 ...	6,680	3,54,459	2,300	60,761	1,156	40,069	14,136	4,05,604	226	4,36,846	2,49,141 (a)
	Total of 1899-1900 ...	6,418	3,51,280	2,322	61,348	1,334	44,644	14,653	4,06,605	207	4,30,973	2,52,071 (a)

Class.	Amount of Income.	Other Sources of Income.		Total collection of Tax.		Penalties by Collector.	Fines by Magistrate.	Total of 17, 18 and 19.	Refunds.	Net Collections.	Remarks.
		Number of assessees.	Amount of Tax.	Number of assessees.	Amount of Tax.						
1	2	14	15	16	17	18	19	20	21	22	23
	Rs. Rs.		Rs.		Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	
I ...	500, but less than 750	24,344	2,43,738	36,684	3,33,645	653	10	3,34,308	647	3,33,661	
II ...	750 ,, 1,000	10,758	1,00,577	13,743	2,14,195	263	...	2,14,458	324	2,14,134	
III ...	1,000 ,, 1,250	7,683	1,53,635	9,780	2,03,583	275	45	2,03,903	293	2,03,610	
IV ...	1,250 ,, 1,500	4,405	1,23,051	5,457	1,52,656	183	...	1,52,861	145	1,52,706	
V ...	1,500 ,, 1,750	3,018	1,05,323	3,914	1,34,792	223	...	1,35,015	139	1,34,876	
VI ...	1,750 ,, 2,000	2,393	1,00,376	3,625	1,51,682	181	...	1,51,863	63	1,51,800	
	Unclassed	...	92	...	1,020	...	...	1,020	...	1,020	
	Total ...	52,601	9,86,792	73,208	12,21,585	1,778	55	12,23,418	1,611	12,21,807	
VII ...	2,000, but less than 2,500	2,383	1,34,137	3,530	2,01,939	207	...	2,02,146	163	2,01,983	
VIII ...	2,500 ,, 5,000	3,863	3,43,326	5,779	5,19,553	507	...	5,20,060	977	5,19,983	
IX ...	5,000 ,, 10,000	1,610	2,76,352	2,410	4,22,230	261	...	4,22,491	97	4,22,394	
X ...	10,000 ,, 20,000	589	2,10,969	916	3,21,238	301	...	3,21,539	692	3,20,847	
XI ...	20,000 ,, 30,000	139	85,865	231	1,39,845	137	...	1,39,982	594	1,39,388	
XII ...	30,000 ,, 40,000	80	72,225	123	1,05,269	...	...	1,05,269	...	1,05,269	
XIII ...	40,000 ,, 50,000	30	36,541	53	59,868	...	...	59,868	...	59,868	
XIV ...	50,000 ,, 1,00,000	45	82,157	75	1,34,494	20	...	1,34,514	47	1,34,467	
XV ...	1,00,000 and more	23	1,18,171	50	4,01,898	120	...	4,02,018	183	4,01,835	
	Unclassed : 2,000, but less than 1,00,000	...	...	...	2,66,194	...	...	2,66,194	196	2,65,998	
	Total ...	8,767	13,59,743	13,167	25,72,528	1,553	...	25,74,081	2,949	25,71,132	
	Grand Total ...	61,368	23,46,535	86,375	37,94,113	3,331	55	37,97,499	4,560	37,92,939	
	Total of 1900-1901 ...	59,123	21,77,587	83,903	37,24,475	1,882	...	37,26,357	4,143	37,22,214	
	Total of 1899-1900 ...	61,833	21,59,775	86,869	37,09,698	2,871	...	37,12,567	2,382	37,10,185	

(a) Inclusive of tax on interest on Government Securities.

For further remarks *vide* column 23 of Return No. IV, *post*.

RETURN

Statement showing the District Collections of the

District.	Salaries, pensions, annuities and gratuities paid by the Government.		Salaries, pensions, annuities and gratuities paid by the local authorities.		Salaries paid by Companies, Public Bodies, Associations and Private Employers.				Profits of Companies.		Interest on Securities.	
					Tax levied under							
					Section 9 (1).		Section 9 (2).					
	Number of assessees.	Amount of Tax.	Number of assessees.	Amount of Tax.	Number of assessees.	Amount of Tax.	Number of assessees.	Amount of Tax.	Number of assessees.	Amount of Tax.	Number of assessees.	Amount of Tax.
1	2	3	4	5	6	7	8	9	10	11	12	13
		Rs.		Rs.		Rs.		Rs.		Rs.		Rs.
Ahmedabad ...	(a) 341	(a)16,864	49	842	32	1,179	148	5,438	23	21,868	...	1,823
Deesa... ...	(a) ...	(a) ...	3	57	1	14	...	...	...	...	...	...
Kaira ...	(c) 197	(c) 7,939	23	366	7	358	...	...	13	437	...	36
Panch Mahals ...	(c) ...	(c) ...	5	42	1	6	...	...	...	...	...	...
Broach ...	116	5,254	16	221	44	1,834	5	47	2	1,717	...	754
Surat... ...	184	9,923	27	666	...	...	47	1,199	1	318	...	1,612
Thana ...	171	7,386	23	326	...	...	7	116	...	...	...	584
Total, N. D. ..	1,009	47,366	146	2,520	85	3,391	207	6,800	39	24,340	...	4,809
Ahmednagar ...	167	8,274	10	158	...	...	22	625	1	75	...	233
Khándesh ...	220	9,339	44	440	37	554	7	857	6	1,420	...	458
Násik	160	7,253	21	275	2	19	...	...	1	110	...	25
Poona... ...	485	27,113	69	1,121	98	3,858	64	2,316	4	1,446	...	2,272
Sátára ...	172	9,418	13	163	9	173	...	...	10	745	...	317
Sholapur ...	119	6,248	25	370	23	643	27	1,140	1	4,133	...	100
Total, C. D. ...	1,323	67,645	182	2,527	169	5,247	120	4,938	23	7,929	...	3,405
Belgaum ...	184	10,062	19	203	16	482	1	524	...	...	...	114
Bijápur ...	119	4,819	8	82	2	42	2	47	...	...	...	57
Dhárwár ...	156	7,121	7	64	12	233	693	22,196	6	782	...	93
Kánara ...	107	3,967	9	133	2	36	...	...	...	...	...	17
Kolába ...	97	3,725	10	221	...	...	15	255	...	...	...	20
Ratnágiri ...	183	7,558	8	159	6	185	...	...	...	...	...	90
Total, S. D. ...	846	37,252	61	862	38	978	711	23,022	6	782	...	391
Karáchi ...	(h) 405	(h) 18,037	143	5,681	10	201	522	22,275	7	2,517	...	6,088
Hyderabad ...	(i) 248	(i) 15,612	50	1,052	9	84	14	227	...	...	...	147
Sukkur ...	(j) 253	(j) 10,676	45	863	3	42	22	963	1	75	...	64
Lárkána ...	(h) (j)	(h) (j)	...	...	12	197	...	...	...	...	...	...
Thar and Párkar	(i) ...	(i) ...	8	86	...	...	...	...	...	...	...	...
Upper Sind Frontier ...	(j) ...	(j) ...	11	89	...	...	...	...	...	...	...	...
Total, Sind ...	946	44,325	257	7,771	34	524	558	23,465	8	2,592	...	6,299
Aden	54	3,683	94	2,799	164	3,375	179	8,052	4	3,546	...	368
Perim ...	...	...	...	...	2	31	95	3,828	...	...	...	...
Total, Aden ...	54	3,683	94	2,799	166	3,406	274	11,880	4	3,546	...	368
Bombay City ...	1,517	114,101	1,546	42,644	805	29,886	12,824	3,59,846	166	3,56,416	...	2,45,036
Káthiáwár, Cutch and Baroda ...	76	6,641	...	...	...	...	...	...	...	...	...	6,824
Forest, Customs and Mint Departments ...	713	31,332	...	...	...	...	...	...	...	...	...	...
Grand Total ...	6,484	3,52,345	2,286	59,123	1,297	43,432	14,694	4,29,951	246	3,95,605	...	2,67,122

No. IV.

Tax under Act II of 1886 in the year 1901-1902.

Other sources of Income.		Total collection of Tax.		Penalties by Collector and Miscellaneous items.	Fines by Magistrate.	Total of columns 17, 18 and 19.	Refunds.	Net collections.	Remarks.
Number of assessees.	Amount of Tax.	Number of assessees.	Amount of Tax.						
14	15	16	17	18	19	20	21	22	23
	Rs.		Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	
4,037	1,26,706	4,630	1,74,720	(*b*) 19	...	1,74,739	...	1,74,739	(*a*) Figures for Deesa included in Ahmedabad.
107	2,106	111	2,177	19	...	2,196	...	2,196	
2,790	66,305	3,030	75,441	12	...	(*d*) 75,453	20	75,433	(*b*) Rs. 8 Penalties.
751	15,062	757	15,110	10	...	15,120	5	15,115	,, 7 Notice fee.
1,337	39,993	1,520	49,730	2	...	49,732	10	49,722	,, 9 Comparing fee.
3,046	87,224	3,305	90,942	...	...	90,942	58	90,884	
1,523	33,297	1,724	41,709	...	...	41,709	33	41,676	
13,591	3,70,603	15,077	4,59,829	62	...	4,59,891	126	(*e*)4,59,765	(*c*) Figures for Panch Mahâls included in Kaira.
1,819	44,553	2,019	53,918	39	...	53,957	20	53,937	(*d*) Includes Rs. 57 on account of Kaira collected at Bombay, and excludes Rs. 10-8-0 due in Panch Mahâls and Rs. 28-8-0 due in Broach collected in Kaira.
3,422	1,15,925	3,736	1,28,993	332	50	1,29,375	157	1,29,218	
2,114	56,825	2,298	64,507	344	...	64,851	...	64,851	
2,673	83,790	3,393	1,21,916	361	...	1,22,277	629	1,21,648	
1,951	41,515	2,155	52,331	10	...	52,341	...	52,341	
1,623	53,102	1,818	65,736	1	...	65,937	81	65,656	
13,602	3,95,710	15,419	4,87,401	1,087	50	4,88,538	887	(*f*)4,87,651	(*e*) Includes over-collections to be refunded—
1,848	41,742	2,068	53,127	140	5	53,272	...	53,272	Kaira ... ... Rs. 100
1,210	27,957	1,341	33,004	...	...	33,004	52	32,952	Panch Mahâls ... ,, 69
2,004	43,758	2,378	74,247	15	...	74,269	521	73,741	Surat ... ... ,, 172
599	12,129	717	16,282	8	...	16,290	10	16,280	Thâna ... ... ,, 50
1,353	37,035	1,475	1,01,256	...	...	1,01,256	40	1,01,216	Total ... Rs. 391
1,091	19,272	1,288	27,264	...	...	27,264	20	27,244	
8,105	1,81,893	9,767	2,45,180	163	5	2,45,348	643	(*g*)2,44,705	(*f*) Includes over-collections to be refunded—
2,242	94,463	3,329	1,49,262	529	...	1,49,791	5	1,49,786	Khândesh ... Rs. 260
3,872	88,888	4,233	1,06,010	94	...	1,06,015	1,501	1,04,514	Poona ... ,, 76
2,812	69,290	3,136	81,973	5	...	82,022	...	82,022	Sátára ... ,, 10
2,780	54,685	2,792	54,882	13	...	54,895	...	54,895	Sholápur ... ,, 422
1,214	24,288	1,222	24,374	75	...	24,449	342	24,107	Total ... Rs. 768
646	13,579	657	13,668	...	...	13,668	...	13,668	(*g*) Includes over-collections to be refunded—
13,566	3,45,193	15,369	4,30,169	671	...	4,30,840	1,848	4,28,992	Belgaum ... Rs. 232
									Bijápur ... ,, 295
493	22,610	988	44,423	99	...	44,522	19	44,503	Dhárwár ... ,, 256
2	265	99	4,124	...	...	4,124	...	4,124	Kanára ... ,, 28
495	22,875	1,087	48,547	99	...	48,646	19	48,627	Kolába ... ,, 122
									Ratnagiri ... ,, 80
12,009	9,30,261	28,867	20,78,190	1,249	...	20,79,439	1,037	20,78,402	Total ... Rs. 1,013
									(*h*) Figures for Lárkána partly included in Karáchi.
...	...	76	13,465	...	...	13,465	...	13,465	(*i*) Figures for Thar and Párkar included in Hyderabad.
									(*j*) Figures for Upper Sind Frontier and in part for Larkána included in Sukkur.
...	...	713	31,332	...	...	31,332	...	31,332	
61,368	22,46,535	86,375	37,94,113	3,331	55	37,97,499	4,560	37,92,939	

RETURN No. V.

Statement showing the Original and Final Demands and Uncollected Balances of sums due under Act II of 1886 in the Bombay Presidency in the year 1901-1902.

Part of the Act under which the Income is assessed.	Original Demand.		Revision by Collector.		Revision by Commissioner.		Final Demand.		Penalties by Collector.	
	Number of Assessees.	Amount of Tax.	Number of Petitions of Objections.	Demand after disposal.	Number of Petitions of Objections.	Demand after disposal.	Number of Assessees.	Amount of Tax.	Number.	Amount.
1	2	3	4	5	6	7	8	9	10	11
		Rs.		Rs.		Rs.		Rs.		Rs.
Chapter III-A and Part I, Schedule II	18,256	5,34,635	3	5,34,124	...	5,34,124	18,255	5,34,332	29	41
Chapter III-B and Part II, Schedule II... ...	198	3,51,168	3	3,50,926	4	3,50,337	196	3,50,337	...	...
Chapter III-C and Part III, Schedule II ...	442	88,566	...	88,396	...	88,396	442	88,396	...	...
Chapter III-D and Part IV, Schedule II ...	72,033	29,76,992	25,361	23,44,364	657	23,40,495	64,686	23,40,512	1,124	6,783
Total ...	90,929	39,51,361	25,367	33,17,810	661	33,13,352	83,579	33,13,567	1,153	6,824
Total of 1900-1901 ...	86,806	42,64,561	19,018	33,35,141	1,083	33,35,257	82,312	33,35,849	869	2,445
Total of 1899-1900 ...	88,719	46,46,624	18,879	33,06,637	577	14,73,161	82,961	33,96,435	1,026	2,967

Part of the Act under which the Income is assessed.	Fines by Magistrate.		Arrears of previous year.	Total of Columns 9, 11, 13 and 14.	Collections.					Balance.	Remarks.
	Number.	Amount.	Amount.		Tax.	Penalties.	Fines.	Arrears.	Total.		
1	12	13	14	15	16	17	18	19	20	21	22
		Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	
Chapter III-A and Part I, Schedule II	...	...	16,852	5,51,215	5,15,354	39	...	16,852	5,32,245 (a) + 3,52,345	18,970	
Chapter III-B and Part II, Schedule II... ...	...	...	55,936	4,06,273	3,41,156	...	...	53,929	3,95,085	11,188	
Chapter III-C and Part III, Schedule II ...	...	...	3,614	92,010	82,832	...	...	3,614	86,446 (b) + 1,80,481	5,564	
Chapter III-D and Part IV, Schedule II ...	4	55	2,73,149	26,20,499	20,02,624	2,511	55	2,38,640	22,43,830	3,76,669	
Total ...	4	55	3,49,551	36,69,997	29,41,966	2,550	55	3,13,035	32,57,606 (c) + 5,32,826	(d) 4,12,391	
Total of 1900-1901 ...	1	4	2,50,957	35,89,255	29,75,605	1,581	...	2,19,315	31,96,501 (e) + 5,22,871	2,85,696	
Total of 1899-1900 ...	...	...	1,76,441	34,85,843	30,32,392	2,473	...	1,50,989	31,85,854 (e) + 5,21,841	2,98,536	

(a) Represents collections not included in the preceding columns on account of the tax on salaries, pensions, annuities and gratuities paid by Government.

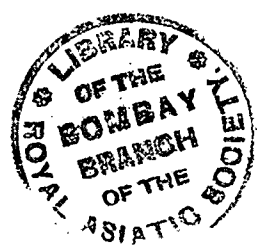
(b) Represents the difference (not shown in the preceding columns) between the tax collected as shown in Return No. II by the Accountant General, *less* refunds and the collections shown in this Return by District Officers.

(c) The total of Rs. 32,57,606 + 5,32,826 *plus* over-collections (Rs. 2,507) to be refunded as shown in column 23 of Return No. VI, *post.*, agrees with the grand total of column 22 of Return No. III, *ante.*

(d) Inclusive of Rs. 10,835 written off and remitted as shown in column 22 of Return No. VI, *post.*

(e) The remarks (a) and (b) apply here also.

RETURN No. VI.



Statement showing by Districts the Original and Final Demands and

District.	Original demand.		Revision by Collector.		Revision by Commissioner.		Final Demand.		Penalties by Collector.		Fines by Magistrate.	
	Number of Assessees.	Amount of Tax.	Number of Petitions of Objections.	Demand after disposal.	Number of Petitions of Objections.	Demand after disposal.	Number of Assessees.	Amount of Tax.	Number.	Amount.	Number.	Amount.
1	2	3	4	5	6	7	8	9	10	11	12	13
		Rs.		Rs.		Rs.		Rs.		Rs.		Rs.
Ahmedabad ...	4,494	1,59,699	1,265	1,55,613	103	1,55,263	4,381	1,55,263	15	19	...	...
Deesa	116	2,272	23	2,202	...	2,202	114	2,219	34	22	...	...
Kaira	3,025	71,489	1,949	60,556	15	60,556	2,624	60,556	4	12	...	...
Panch Mahâls ...	874	17,111	543	15,889	8	15,889	841	15,889	2	10	...	...
Broach	1,438	45,849	810	43,168	5	43,142	1,373	43,142	2	2	...	...
Surat	3,530	96,654	1,772	88,264	81	88,089	3,350	88,089	...	...	...	...
Thâna	1,605	35,523	312	33,058	12	32,957	1,513	32,957	...	...	...	...
Total, N. D. ...	15,082	4,28,597	6,674	3,98,750	224	3,98,098	14,196	3,98,115	57	65	...	...
Ahmednagar ...	2,033	52,792	469	50,327	21	50,327	1,919	50,327	10	39	...	...
Khándesh	3,604	1,24,850	1,026	1,20,677	69	1,20,609	3,520	1,20,609	18	192	3	50
Násik	2,455	66,410	1,274	59,834	33	59,753	2,282	59,753	138	412	...	...
Poona	3,313	1,05,861	1,501	97,109	54	97,099	3,018	97,099	372	754	...	...
Sátára	2,060	43,162	823	40,675	77	40,637	1,920	40,637	1	10	...	...
Sholápur	1,802	62,026	694	57,712	33	57,658	1,693	57,658	1	1	...	...
Total, C. D. ...	15,267	4,55,101	5,787	4,26,334	287	4,26,083	14,352	4,26,083	540	1,408	3	50
Belgaum	1,955	44,738	404	43,225	5	43,144	1,891	43,144	38	140	1	5
Bijápur	1,314	31,386	339	29,206	9	29,206	1,236	29,206	...	...	...	...
Dhárwár	3,106	77,031	450	75,157	8	74,654	3,014	74,654	2	15	...	...
Kánara	755	15,511	336	13,617	...	13,617	669	13,617	3	8	...	...
Kolába	1,427	39,381	570	37,697	14	37,634	1,367	37,634	...	...	...	...
Ratnágiri	1,188	21,269	405	20,030	4	19,927	1,117	19,927	...	...	...	...
Total, S. D. ...	9,745	2,29,316	2,504	2,18,932	40	2,18,182	9,294	2,18,182	43	163	1	5
Karáchi	3,233	1,34,615	621	1,28,540	5	1,28,540	3,111	1,28,540	113	571	...	...
Hyderabad	4,130	98,338	1,067	94,295	36	94,077	4,061	94,077	4	38	...	...
Sukkur	3,019	76,291	795	73,457	44	73,400	2,951	73,400	...	...	...	...
Lárkána	3,041	61,446	1,023	58,222	...	58,222	2,942	58,420	18	33	...	...
Thar and Párkar ...	1,229	24,499	269	23,989	...	23,989	1,196	23,989	8	75	...	...
Upper Sind Frontier	706	14,853	113	13,966	...	13,966	677	13,966	...	...	...	...
Total, Sind ...	15,358	4,10,042	3,888	3,92,469	85	3,92,194	14,938	3,92,392	193	717	...	...
Aden	990	43,149	126	40,645	...	40,645	934	40,645	64	99	...	...
Perim	99	4,124	...	4,124	...	4,124	99	4,124	...	...	...	...
Total, Aden ...	1,089	47,273	126	44,769	...	44,769	1,033	44,769	64	99	...	...
Bombay City ...	34,388	23,81,032	6,388	18,36,556	25	18,34,026	29,766	18,34,026	256	4,372	...	...
Grand Total ...	90,929	39,51,361	25,367	33,17,810	661	33,13,352	83,579	33,13,567	1,153	6,824	4	55

No. VI.

Uncollected Balances of amounts due under Act II of 1886 in the year 1901-1902.

Arrears of the previous year.	Total of Columns 9, 11, 13 and 14.	Collections.					Balance.	Amount written off and remitted (excluded from column 21).	Remarks.
Amount.		Tax.	Penalties.	Fines.	Arrears.	Total.			
14	15	16	17	18	19	20	21	22	23
Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	
34,959	1,90,241	1,26,379	(*a*) 19	...	30,242	1,56,640	29,987	3,614	(*a*) Inclusive of Rs. 16 miscellaneous.
56	2,297	2,134	19	...	43	2,196	90	11	
27,932	88,500	42,137	12	...	25,209	67,358	20,799	343	
3,668	19,567	11,605	10	...	3,431	15,046	4,453	68	
10,126	53,270	34,630	(*b*) 2	...	9,082	43,714	9,153	403	(*b*) Rs. 2 miscellaneous.
14,524	1,02,613	77,163	...	...	12,585	89,748	11,703	1,162	
5,665	38,622	29,095	...	...	4,561	33,656	3,953	1,013	
96,930	4,95,110	3,23,143	62	...	85,153	(*c*) 4,08,358	80,138	6,614	(*c*) Exclusive of Rs. 391 on account of over-collections to be refunded.
11,049	61,415	38,781	39	...	6,610	45,430	15,157	828	
7,258	1,28,109	1,13,623	172	50	5,316	1,19,161	8,948	...	
9,199	69,364	50,210	344	...	7,019	57,573	10,451	1,340	
16,065	1,13,918	82,990	210	...	8,999	92,199	21,719	...	
19,798	60,445	27,367	10	...	15,429	42,806	16,780	859	
8,102	65,761	52,455	1	...	6,485	58,941	6,612	208	
71,471	4,99,012	3,65,426	776	50	49,858	(*d*) 4,16,110	79,667	3,235	(*d*) Exclusive of Rs. 768 on account of over-collections to be refunded.
1,134	44,423	41,718	140	5	1,001	42,864	1,441	118	
794	30,000	27,080	...	...	701	27,781	2,174	45	
1,131	75,800	65,581	15	...	675	66,271	9,253	276	
105	13,730	12,165	8	...	95	12,268	1,452	10	
1,102	38,736	36,464	...	...	887	37,351	1,170	215	
83	20,010	19,487	...	...	43	19,530	440	40	
4,349	2,22,699	2,02,495	163	5	3,402	(*e*) 2,06,065	15,930	704	(*e*) Exclusive of Rs. 1,013 on account of over-collections to be refunded.
4,757	1,33,868	1,26,443	379	...	3,414	1,30,236	3,632	...	
3,182	97,297	86,153	5	...	2,406	88,564	8,733	...	
445	73,845	70,862	...	...	445	71,307	2,538	...	
508	58,961	54,394	13	...	488	54,895	4,066	...	
421	24,485	23,651	75	...	381	24,107	378	...	
92	14,058	13,576	...	...	92	13,668	390	...	
9,405	4,02,514	3,75,079	472	...	7,226	(*f*) 3,82,777	19,737	...	(*f*) Exclusive of Rs. 335 on account of over-collections to be refunded.
...	40,744	40,363	99	...	...	40,462	...	282	
...	4,124	4,124	...	...	...	4,124	...	...	
...	44,868	44,487	99	..	...	44,586	...	282	
1,67,396	20,05,794	16,31,336	978	...	1,67,396	17,99,710	(*g*) 2,06,084	...	(*g*) The whole of this amount has since been collected.
3,49,551	36,69,997	29,41,966	2,550	55	3,13,035	32,57,606 (*h*) + 5,32,826	4,01,556	10,835	(*h*) This figure is made up of items (*a*) and (*b*) explained in Return No. V, *ante*.

ROYAL ASIATIC SOCIETY LIBRARY OF THE BOMBAY BRANCH OF THE

RETURN No. VII.

Statement showing the expenditure incurred in the assessment and collection of the tax under Act II of 1886 in each district of the Bombay Presidency in the year 1901-1902.

District.	Establishment.	Travelling allowances.	Contingencies.	Total.	Remarks.
1	2	3	4	5	6
	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	
Ahmedabad	2,178 1 1	7 0 6	35 0 0	2,220 1 7	
Deesa	60 0 0	.....	.....	60 0 0	
Kaira	178 4 1	3 0 0	.....	181 4 1	
Panch Mahâls	.....	.....	.....	.....	
Broach	9 3 7	.....	28 0 0	37 3 7	
Surat	691 13 5	.....	85 9 8	777 7 1	
Thâna	209 3 4	.....	.....	209 3 4	
Total, N. D. ..	3,326 9 6	10 0 6	148 9 8	3,485 3 8	
Ahmednagar	23 1 7 (a) 2 12 10	.....	.....	25 14 5	(a) Commission for collecting the tax.
Khándesh	.....	.....	.....	.....	
Násik	108 0 0	.....	30 0 0	138 0 0	
Poona	1,975 8 0 (b) 1,200 0 0 (c) 486 14 0 (d) 45 14 1	10 8 0	195 0 0	3,913 12 1	(b) Pay of the Income Tax Collector. (c) Remuneration to Kulkarnis. (d) Commission for collecting the tax.
Sátára	150 7 9	.....	2 0 0	152 7 9	
Sholápur	179 0 0 9 0 0	.....	16 8 0	204 8 0	
Total, C. D. ...	4,180 10 3	10 8 0	243 8 0	4,434 10 3	
Belgaum	30 0 0	.....	.....	30 0 0	
Bijápur	30 3 7	.....	.....	30 3 7	
Dhárwár	60 0 0	.....	(e) 410 0 0	470 0 0	(e) Commission paid to the Auditor, Southern Mahratta Railway.
Kánara	.....	.....	.....	.....	
Kolába	.....	.....	.....	.....	
Ratnágiri	.....	.....	.....	.....	
Total, S. D. ...	120 3 7	.....	410 0 0	530 3 7	
Karáchi	(f) 1,309 12 3	.....	84 0 0	1,393 12 3	(f) Includes Rs. 433-12-3 for commission charges.
Hyderabad	174 13 6	.....	.....	174 13 6	
Sukkur	(g) 399 0 0	3 0 0	.....	402 0 0	(g) Includes Rs. 11 for commission charges.
Total, Sind ...	1,883 9 9	3 0 0	84 0 0	1,970 9 9	
Aden	734 0 0	161 0 0	50 0 0	.....	
Perim	.....	68 0 0	.....	.....	
Total, Aden ...	734 0 0	229 0 0	50 0 0	1,013 0 0	
Bombay City	(h) 50,925 4 6	1,775 0 0	6,987 7 7	59,687 12 1	(h) Includes (a) Rs. 355-9-7 on account of grain compensation allowance; (b) Rs. 300, being an allowance paid to the Cashier, Bombay Municipality, for collecting income tax from the owners of conveyances, &c.; and (c) Rs. 6,984-13-9, being the commission at 2 per cent. allowed to the employers of labour for collecting income tax.
Grand Total ...	61,170 5 7	2,027 8 6	7,923 9 3	71,121 7 4	
Total of 1900-1901 ...	52,471 1 9	2,098 10 7	7,146 10 6	61,716 6 10	
Total of 1899-1900 ...	44,514 9 10	2,029 7 0	11,582 5 0	58,126 5 10	

RETURN No. X (TRIENNIAL ONLY).

Statement showing the average final Assessments and Collections under Parts II and IV of the Second Schedule of Act II of 1886 in towns having a population of 50,000 or over for the three years ending 31st March 1902.

District.	Name of City.	Population.	Part II.			Part IV.			Total of columns 6 and 9.	Incidence per head of population of the amount in column 10.	Remarks.
			Final Demand.		Collections.	Final Demand.		Collections.			
			Number of assessees.	Amount of tax.		Number of assessees.	Amount of tax.				
1	2	3	4	5	6	7	8	9	10	11	12
				Rs.	Rs.		Rs.	Rs.	Rs.	Rs. a. p.	
Ahmedabad	Ahmedabad ...	185,889	21	23,442	22,296	2,195	89,768	85,667	1,07,963	0 9 3	
Surat ...	Surat	119,306	1	106	106	1,156	37,565	35,484	35,590	0 4 9	
Poona ...	Poona City, Suburbs and Cantonments of Poona and Kirkee.	164,117	5	1,590	1,590	1,548	64,451	60,032	61,622	0 6 0	
Sholápur ...	Sholápur	74,521	1	1,920	878	544	23,545	21,650	22,528	0 4 10	
Dhárwár ...	Hubli	58,149	1	22	22	318	10,391	8,798	8,820	0 2 5	
Karáchi ...	Karáchi	115,407	7	2,517	2,517	1,421	73,398	71,612	74,129	0 10 3	
Hyderabad...	Hyderabad ...	68,903	...	...	...	763	20,251	17,819	17,819	0 4 1	
	Bombay	776,006	148	3,73,229	3,79,220	13,362	9,46,463	9,06,572	12,85,792	1 10 6	
	Total ...	1,562,298	184	4,02,826	4,06,629	21,307	12,65,832	12,06,634	16,13,263	1 0 6	

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